

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BANGKO 04059 230345Z  
ACTION OPIC-06

INFO OCT-01 EA-07 ISO-00 COME-00 EB-08 INT-05 GSA-02 /029 W  
-----230348 006136 /70

R 230330Z FEB 77  
FM AMEMBASSY BANGKOK  
TO SECSTATE WASHDC 9501

LIMITED OFFICIAL USE BANGKOK 4059

E.O. 11652: N/A  
TAGS: EMIN, TH  
SUBJECT: THAI ZINC: TIME FOR DECISION; OPIC APPLICATION NO. 493-72-  
291

REF: STATE 9608

1. THE CABINET LAST WEEK APPROVED AN INTER-MINISTERIAL PRO-  
POSAL WHICH EMPOWERS THE MINISTER OF INDUSTRY TO SIGN A ZINC  
SMELTER CONSTRUCTION CONTRACT WITH THAI ZINC CO. HOWEVER, THE  
TERMS APPROVED BY THE CABINET ARE LESS GENEROUS THAN THOSE  
SOUGHT BY THAI ZINC AND ITS PARENT COMPANY, NEW JERSEY ZINC  
(OF GULF AND WESTERN).

2. THE DIFFERENCES BETWEEN THE PARTIES STEM FROM A COMPLICATED  
FORMULA FOR SHARING OF REVENUES AND PROFITS, MOST OF WHICH  
IS ESTABLISHED BY RTG MINING LAW. THE MAJOR HURDLE IS A THAI  
ZINC PROPOSAL FOR AN UPPER LIMIT OF 20 PERCENT OF NET PROFITS TO  
BE PAID BY THAI ZINC TO THE RTG FOR A PERIOD OF SEVEN YEARS; THE  
RTG IS PREPARED TO ACCEPT THE 20 PERCENT LIMITATION BUT WANTS THE  
GRACE PERIOD TO RUN FOR ONLY FIVE YEARS. THAI ZINC OFFICIALS,  
WHO HAVE PASSED THE PROBLEM BACK TO NEW JERSEY ZINC FOR  
DECISION, ARE PERSUADED THERE IS ABSOLUTELY NO "GIVE"  
IN THE FIVE-YEAR TERM ENVISIONED BY THE RTG; THEY  
SPECULATE NEW JERSEY ZINC WILL ACCEPT THE INEVITABLE WITH  
REGARD TO TIME, BUT REOPEN THE NEGOTIATION ON ANOTHER  
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PAGE 02 BANGKO 04059 230345Z

FRONT BY SAYING, "FIVE YEARS IS ACCEPTABLE IF..." THAI  
ZINC OFFICIALS CONTENT THE FIVE-YEAR LIMITATION, UNSWEET-  
ENED BY CONCESSIONS ELSEWHERE, WILL MAKE IT DIFFICULT, AND  
PERHAPS IMPOSSIBLE, TO OBTAIN FINANCING FOR THE PROJECT.  
THAI ZINC, WHICH HAS TO DATE ONLY ORAL ASSURANCES AS TO  
THE RTG POSITION, HAS REQUESTED A COPY OF THE CONTRACT  
THE RTG IS PREPARED TO SIGN.

BURKE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ZINC, CONSTRUCTION, CABINET, POLICIES, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 23-Feb-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BANGKO04059  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770062-0203  
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**Handling Restrictions:** n/a  
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**Litigation History:**  
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**Message ID:** d1d160c3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 9608  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3257832  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THAI ZINC: TIME FOR DECISION; OPIC APPLICATION NO. 493-72- 291  
**TAGS:** EMIN, TH, OPIC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009